

**GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

Industries & Commerce (IP) Department - Incentives for setting up of Industries in Andhra Pradesh – Industrial Investment Promotion Policy 2005-2010 (IIPP 2005-2010) – Release of Investment Subsidy to Scheduled Caste/Scheduled Tribe Entrepreneurs after the Term Loan sanctioned and disbursed – Orders – Issued .

INDUSTRIES & COMMERCE (IP) DEPARTMENT

G.O.Ms.No.143

Dated:11.06.2008

Read the following:

1. G.O.Ms.No.178, Ind. & Com.(IP) Deptt. dated 21.6.2005.
2. G.O.Ms.Nos.327 & 328, Ind. & Com.(IP) Deptt.dt31.12.05.
3. G.O.Ms.Nos.161, Ind. & Com.(IP) Deptt.dt22.6.2007.
4. G.O.Ms.Nos.267, Ind. & Com.(IP) Deptt.dt 6.10.2007
5. From the Commissioner of Industries, Hyderabad Letter No.10/3/07/0685/ID, dated 13.11.2007.
6. From the Commissioner of Industries, Hyderabad Letter No.10/3/07/0685/0685/ID, dated 14.3.2008.
7. Notes of Managing Director, Andhra Pradesh State Financial Corporation, Hyderabad, dated 24.3.2008 & 19.4.2008(under Single File System of Government File No.18407/IP/A1/2007)

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ORDER:

In the Government Order 1st read above, the State Government announced New Industrial Investment Promotion Policy 2005-2010 duly extending the various incentives/concessions to all eligible new industrial units set up in the State except in the Municipal Corporation limits of Hyderabad, Vijayawada and Visakhapatnam and commence commercial production on or after 01.04.2005 but before 31.03.2010. Projects involving substantial Expansion/Diversification of existing industries in the eligible lines of activities are also entitled for benefits offered under the policy covering the categories of a) SSI/Tiny units b) SC/ST Entrepreneurs, c) Women Entrepreneurs, d) Units other than SSI/Tiny (Large & Medium Scale Industries) and e) Mega Projects. Subsequently, Government have sanctioned Special incentives to the Scheduled Tribe entrepreneurs and Scheduled Caste entrepreneurs vide Government Orders 3rd and 4th read above respectively.

2. Meetings were held on 4th and 10th October, 2007 in the chambers of Principal Secretary to Government & Commissioner for Industrial Promotion, Industries & Commerce Department, to discuss implementation of Special Component Plan (SCP) for Scheduled Caste entrepreneurs and Tribal Sub-Plan (TSP) for Scheduled Tribe entrepreneurs. Among other issues, it was decided that on the proposal of Andhra Pradesh State Financial Corporation to release the eligible incentives in advance to Scheduled Caste/Scheduled Tribe entrepreneurs, necessary proposals would be sent to the Government by the Commissioner of Industries, Andhra Pradesh, Hyderabad to permit the release of incentives in advance for Scheduled Caste/Scheduled Tribe entrepreneurs to the extent of the backlog subsidy available with Andhra Pradesh State Financial Corporation under Special Component Plan/Tribal Sub-Plan schemes. The Commissioner of Industries, Andhra Pradesh, Hyderabad has accordingly sent proposals vide reference 5th read above requesting the Government to permit for release of incentives in advance to Scheduled Caste/Scheduled Tribe entrepreneurs to the extent of subsidy available with the Andhra Pradesh State Financial Corporation under Special Component Plan/Tribal Sub-Plan schemes and proposed operational guidelines for release of Subsidy.

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3. Subsequently, another meeting was held on 07.03.2008 in the chambers of Principal Secretary to Government & Commissioner for Industrial Promotion, to devise an action plan for speedy implementation. On the proposals of Andhra Pradesh State Financial Corporation, in the reference 6th read above, the Commissioner of Industries, Andhra Pradesh., Hyderabad among other issues, has requested the Government to authorize the Managing Director, Andhra Pradesh State Financial Corporation, Hyderabad to sanction and release investment subsidy to the units under Special Component Plan/Tribal Sub-Plan under the Budget Heads (2851-789-11-17, 2852-80-789-11-04, 2851-796-11-08, 2852-80-796-11-04) under Industrial Investment Promotion Policy 2005-10 for the Scheduled Caste /Scheduled Tribe entrepreneurs, subject to the extent of accumulated Special Component Plan/Tribal Sub-Plan funds available in the P.D. account of Andhra Pradesh State Financial Corporation, Hyderabad.

4. Government, after careful examination on the proposals of Commissioner of Industries, Andhra Pradesh, Hyderabad, hereby issue the following orders:

- a) The Andhra Pradesh State Financial Corporation, Hyderabad will act as Nodal Agency for implementation of Special Component Plan/Tribal Sub-Plan schemes;
- b) The Managing Director, Andhra Pradesh State Financial Corporation, Hyderabad is authorized to sanction and release investment subsidy under Special Component Plan/Tribal Sub-Plan under the Budget Heads (2851-789-11-17, 2852-80-789-11-04, 2851-796-11-08, 2852-80-796-11-04) under Industrial Investment Promotion Policy 2005-10 to the Scheduled Caste/Scheduled Tribe entrepreneurs;
- c) Scheduled Caste/Scheduled Tribe entrepreneurs should obtain Entrepreneur Memorandum from the concerned General Manager, District Industries Centre under MSMED Act, 2006 of Government of India for setting up industry as a precondition for claiming benefits/ concessions;
- d) The Scheduled Caste/Scheduled Tribe Entrepreneurs are eligible for investment subsidy only after term loan is sanctioned and disbursed. Investment subsidy portion to Scheduled Caste/Scheduled Tribe entrepreneurs will be released by Andhra Pradesh State Financial Corporation, only after term loan is sanctioned and disbursed to them.
- e) The Andhra Pradesh State Financial Corporation shall receive claim applications in the prescribed proforma of Industrial Investment Promotion Policy 2005-10 from the Scheduled Caste/Scheduled Tribe entrepreneurs. The Andhra Pradesh State Financial Corporation will verify /Scrutiny of these claims as per the guidelines of Industrial Investment Promotion Policy 2005-10 scheme and obtain the approval of the State Level Committee/District Level Committee before release of investment subsidy to Scheduled Caste/Scheduled Tribe entrepreneurs. The Managing Director, Andhra Pradesh State Financial Corporation shall furnish the Utilization certificates for the sanctioned and disbursed amount to the Commissioner of Industries for record.
- f) In case of Scheduled Commercial Bank financing units, the Andhra Pradesh State Financial Corporation shall release investment subsidy directly to Scheduled Caste/Scheduled Tribe entrepreneurs after obtaining the detailed recommendations of the concerned Scheduled Commercial Bank to the extent that the Term Loan is already sanctioned and disbursed. The APSFC shall also obtain the approval of the State Level Committee/District Level Committee before release of investment subsidy to Scheduled Caste/Scheduled Tribe Entrepreneurs.
- g) The Managing Director, Andhra Pradesh State Financial Corporation, Hyderabad shall furnish a quarterly return of sanctions and disbursement of investment subsidy with details of the units to the Government/ Commissioner of Industries, Andhra Pradesh, Hyderabad.

- h) The functioning of the Nodal Agency, the Branch Managers of Andhra Pradesh State Financial Corporation shall work in close coordination with the General Managers of District Industries Centres in creating awareness for the programme, identifying of suitable projects, guiding Scheduled Caste/Scheduled Tribe entrepreneurs, preparation of Project reports leading to effective implementation of programme.

5. The Managing Director, Andhra Pradesh State Financial Corporation, Hyderabad and the Commissioner of Industries, Andhra Pradesh, Hyderabad shall take necessary action accordingly.

6. This order issues with the concurrence of Finance (Expr. I&C) Department vide their U.O. No. 4850/315/Exp.I&C/108, dated:09.06.2008.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**B.SAM BOB
PRINCIPAL SECRETARY TO GOVERNMENT AND
COMMISSIONER FOR INDUSTRIAL PROMOTION**

To

The Commissioner of Industries, Andhra Pradesh, Hyderabad

The Managing Director, Andhra Pradesh State Financial Corporation, Hyderabad.

Copy to

The Finance (Expr. I&C) Department.

The Social Welfare (Sw.Coordn.) Department.

The Social Welfare (TW) Department.

The Commissioner, Social Welfare Department.

The Director, Tribal Welfare Department

The Managing Director, A.P. Scheduled Caste Co-op. Finance Corporation, Hyderabad

The Managing Director, TRICOR, A.P. Hyderabad.

The Accountant General, Andhra Pradesh, Hyderabad.

The Pay & Accounts Officer, Hyderabad.

All District Collectors in the State through Commissioner of Industries, A.P. Hyderabad.

All General Managers of District Industries Centres in the State
through Commissioner of Industries, A.P. Hyderabad.

The PS to Addl. Secretary to Chief Minister.

The PS to Minister(Major Industries)

The PS to Minister(Small Scale Industries)

The PS to Chief Secretary

The PS to Principal Secretary to Govt.& Commissioner for Industrial Promotion,
Industries & Commerce Department.

The PS to Secretary to Govt., Industries & Commerce Department.

The PA to Special Secretary to Govt. Industries & Commerce Department.

//Forwarded :: By order//

SECTION OFFICER